

# IRS News Release

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## **IRS Waives Diesel Fuel Penalty Due to Hurricane Dennis**

IR-2005-74, July 15, 2005

WASHINGTON — The Internal Revenue Service will not impose the excise tax penalty on the misuse of dyed diesel fuel in parts of Florida because of shortages of clear diesel fuel caused by Hurricane Dennis.

This relief applies to dyed diesel fuel sold or used from July 8 through July 18, 2005 in Florida counties west of the Apalachicola River.

This penalty relief is available to any person that sells or uses dyed fuel for highway use. In the case of the operator of the vehicle in which the dyed fuel is used, the relief is available only if the operator or the person selling the fuel pays the tax of 24.4 cents per gallon. The tax return and the payment will be due on Oct. 31, 2005, and the IRS will not impose penalties for failure to make semimonthly deposits of the tax. IRS Publication 510, Excise Taxes for 2005, has information on the proper method for reporting and paying the tax.

Ordinarily, dyed diesel fuel is not taxed, because it is sold for uses exempt from excise tax, such as to farmers for farming purposes and to local governments for buses.

### **Links:**

- Announcement 2005-51 — <http://www.irs.gov/pub/irs-drop/a-05-51.pdf>
- Publication 510, Excise Taxes for 2005 — <http://www.irs.gov/pub/irs-pdf/p510.pdf>